

**FIRST AMENDMENT TO  
THE CITY OF ALEXANDRIA FIREFIGHTERS  
AND POLICE OFFICERS PENSION PLAN,  
AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2009**

Pursuant to the powers of amendment reserved under Section 12.1 of The City of Alexandria Firefighters and Police Officers Pension Plan, as amended and restated effective as of January 1, 2009 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of January 1, 2010, or such earlier or later dates as may be specified herein, as follows:

**FIRST CHANGE**

The following definition of "Actively Employed" is hereby added to Section 1.6.

**Actively Employed or Active Employee**

"Actively Employed" or "Active Employee" means the period during which a Participant is receiving Compensation from the City as a Covered Employee (including, without limitation, any period of paid leave). Notwithstanding the forgoing, for purposes of Article 5, a Participant who is on an Authorized Leave of Absence for military service shall not be considered to be actively employed during such period of military leave.

**SECOND CHANGE**

The definition of "Average Monthly Compensation" in Section 1.6 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

**Average Monthly Compensation**

"Average Monthly Compensation" means 1/48<sup>th</sup> of the total amount of a Participant's Compensation for the forty-eight (48) consecutive full calendar months of the Participant's employment as a Covered Employee in which his or her Compensation was the highest. In the event a Participant's entire period of employment consists of less than forty-eight

(48) consecutive full calendar months of employment as a Covered Employee, the Participant's Average Monthly Compensation shall be determined by averaging (on a monthly basis) the Participant's Compensation during the number of full calendar months that the Participant was employed as a Covered Employee. Notwithstanding anything herein, in determining a Participant's Average Monthly Compensation under this Plan, (1) only Compensation earned during a calendar month that is included in calculating the Participant's Years of Credited Service shall be taken into account (provided, however, if a Participant is Disabled prior to accruing 1/12<sup>th</sup> of a Year of Credited Service, Average Monthly Compensation shall be determined by the Administrator based on the scheduled monthly pay for the Participant's grade and step), (2) the determination of Average Monthly Compensation shall include Compensation earned prior to the Effective Date, and (3) all Compensation for a payroll period shall be attributed to (and deemed to have been earned) on the Participant's last day of employment in the payroll period.

### **THIRD CHANGE**

The definition of "Base Disability Benefit" in Section 1.6 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

#### **Base Disability Benefit**

"Base Disability Benefit" means the annual amount of the Disability Benefit payable under Section 5.7, 5.8, 5.9 or 5.10 (as determined on the date that Disability Benefits commence to the Participant and without regard to any adjustment made pursuant to Section 5.13). In the case of a Disability Benefit payable pursuant to the contingent annuitant option, the Base Disability Benefit shall be determined as if the Participant had died on the day following his or her Disability Retirement Date and benefits had immediately commenced to such contingent annuitant on such date.

### **FOURTH CHANGE**

The first paragraph of the definition of "Compensation" in Section 1.6 is hereby deleted and the following paragraph is inserted in lieu thereof effective as of January 1, 2004:

"Compensation" means the amount classified by the City as retirement base compensation (i.e., regular or base salary or wages for personal services rendered as a Covered Employee, based on the Covered

Employee's grade and step). Such term excludes any and all overtime (including amounts classified as overtime, but paid on a straight time basis), differentials, allowances, premiums, bonuses, FLSA adjustments, or any form of extra compensation.

A Participant's Compensation under this Plan shall be determined in accordance with the following provisions: (1) Compensation shall be determined based on pay periods during which the Participant was a Covered Employee (and only Compensation earned as a Covered Employee shall be taken into account), (2) Compensation for a pay period shall be determined based on the scheduled annual pay for the Participant's grade and step, divided by 26 (provided, however, if the Participant is not actively employed for the entire pay period for any reason (including retirement, Disability, death, termination of employment or a leave of absence), the amount of the Participant's Compensation for such pay period shall be based on the Participant's actual Compensation for the pay period), and (3) if a Participant receives a retroactive adjustment to Compensation (i.e., a retroactive adjustment to regular or base salary), the determination of Compensation for a pay period shall include the retroactive adjustment paid during the pay period (notwithstanding that a portion of such adjustment may relate to prior pay periods) and Compensation for any prior pay period covered by such retroactive adjustment shall continue to be computed without regard to the retroactive portion of such adjustment.

#### **FIFTH CHANGE**

The definition of "Covered Employee" in Section 1.6 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

#### **Covered Employee**

"Covered Employee" means, except as noted below, an Employee who is employed by the City as (i) a sworn Police Officer or Firefighter or (ii) a fire or police recruit (but only during the period of time that such Employee is employed by the City as a sworn Police Officer or Firefighter or a fire or police recruit).

Appendix C sets forth the positions that represent Covered Employees under the Plan. Appendix C may be amended from time to time by the City Manager (after consultation with the Board) without the need for a formal amendment to the Plan and any such change shall be deemed to amend the definition of Covered Employee and shall become part of the Plan.

The term "Covered Employee" does not include (i) an Employee who is covered under the City of Alexandria Pension Plan for Firefighters and Police Officers, (ii) an Employee who is covered by and accruing benefits under the City of Alexandria Supplemental Plan or the Retirement Income Plan for Deputy Sheriffs, Emergency Medical Technicians and Fire Marshals, or (iii) the Employee who was serving as the Chief of the Fire Department on the Effective Date. The term "Covered Employee" does include any Employee subsequently designated as Chief of the Fire Department.

#### **SIXTH CHANGE**

The definition of "CPI" in Section 1.6 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

#### **CPI**

"CPI" means the Consumer Price Index - All Urban Consumers (CPI-U), U.S. City Average, All Items, (1982-84=100) (based on the index that is not seasonally adjusted), published and revised by the Bureau of Labor Statistics, U.S. Department of Labor, or the successor to such index.

#### **SEVENTH CHANGE**

The following definition of "DROP Account" is hereby added to Section 1.6 effective as of January 1, 2004:

#### **DROP Account**

"DROP Account" means the record reflecting the amount to which a Participant is entitled under Section 6.4(e).

#### **EIGHTH CHANGE**

The definition of "Normal Retirement Date" in Section 1. 6 is hereby deleted and the following is inserted in lieu thereof:

#### **Normal Retirement Date**

"Normal Retirement Date" means:

- (1) In the case of a Participant who commenced employment as a Covered Employee on or after the Effective Date, the first day of

the month coincident with or next following the attainment of age 55 with at least 5 Years of Credited Service or the attainment of age 50 with at least 25 Years of Credited Service.

- (2) In the case of a Participant who commenced employment as a Covered Employee prior to the Effective Date, the first day of the month coincident with or next following the attainment of age 55 or the attainment of age 50 with at least 25 Years of Credited Service.

Notwithstanding the forgoing, for purposes of Section 5.13, a Participant's Normal Retirement Date shall be the first day of the month coincident with or next following the attainment of age 55.

#### **NINTH CHANGE**

The following sentence is hereby added to the definition of "Year of Credited Service" and "Year of Service" in Section 1.6 effective as of January 1, 2004:

A Participant who is employed from the first day of a month through the last scheduled working day of a month shall be considered as having been employed for the entire month.

#### **TENTH CHANGE**

Section 3.1 is hereby deleted and the following new Section 3.1 is inserted in lieu thereof effective as of January 1, 2004:

#### **3.1 Determining Years of Service and Years of Credited Service Credited Under Plan**

- (a) All Years of Service and Years of Credited Service completed by a Participant shall be counted in determining his or her vested interest in, and benefits under, the Plan in accordance with (and subject to) the provisions of this Article 3.
- (b) Except as otherwise provided in Section 3.4 or 3.5, a Participant shall not be credited with Years of Credited Service (or 1/12<sup>th</sup> increments thereof) for any calendar month prior to the Effective Date.
- (c) Except as otherwise provided in Section 3.1(d) or as required by law, a Participant shall not be credited with Years of Service or

Years of Credited Service (or 1/12<sup>th</sup> increments thereof), during an Authorized Leave of Absence.

- (d) If a Participant incurs an Authorized Leave of Absence on account of military service, the Participant shall receive credit for Years of Service and Years of Credited Service upon reemployment for the period of such Authorized Leave of Absence to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, and Section 414(u) of the Internal Revenue Code or any other law (but without any requirement for such a Participant to make contributions upon his or her reemployment for the period of his or her military service).
- (e) A Participant shall not be deemed to have reached his or her Termination Date on account of an Authorized Leave of Absence.

#### **ELEVENTH CHANGE**

Section 4.3(b) is hereby deleted and the following new Section 4.3(b) is inserted in lieu thereof:

#### **(b) Employee Disability Contributions**

- (1) On and after the Date of Adoption, each Participant shall make an Employee Disability Contribution in an amount required to offset the cost (as determined by the Actuary based upon reasonable actuarial assumptions, funding methods and related matters) to provide for Disability Benefits attributable to a Non-Service Connected Partial Disability under Sections 5.4 and 5.10. Such Employee Disability Contribution shall continue until the earlier of the Participant's (1) Termination Date, or (2) the last day of the pay period immediately preceding the DROP Effective Date. Effective July 1, 2008, the amount of the Employee Disability Contribution shall be 0.6% of each Participant's Compensation. The rate of the Employee Disability Contribution shall be adjusted thereafter to the extent that the Actuary determines that such change is necessary to maintain proper funding. The amount of the Employee Disability Contribution shall not be picked up by the City under Section 414(h)(2) of the Internal Revenue Code. The Employee Disability Contribution shall only be used to pay for Disability Benefits on account of a Non-Service Connected Partial Disability.
- (2) A Participant who is on an Authorized Leave of Absence (and who is not considered to be Actively Employed during the period of such Authorized Leave of Absence) may make a written election, at the

time the Authorized Leave of Absence commences, to continue coverage for Disability Benefits attributable to a Non-Service Connected Partial Disability under Sections 5.4 and 5.10. A Participant who makes such an election shall pay the Employee Disability Contribution during the period of the Authorized Leave of Absence in accordance with such procedures as may be established by the Administrator for such payments. The amount of such required Employee Disability Contribution shall be based upon the percentage of Compensation required to be contributed by an Active Employee and the salary schedule (as adjusted from time to time) applicable to the rank and grade held by the Employee at the time the Authorized Leave of Absence commences.

#### **TWELFTH CHANGE**

Subsection (a) of Section 5.1 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

- (a) The Participant is Totally Disabled while actively employed as a Covered Employee;

#### **THIRTEENTH CHANGE**

Subsection (a) of Section 5.2 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

- (a) The Participant is Totally Disabled while actively employed as a Covered Employee (and prior to his or her DROP Effective Date, if applicable);

#### **FOURTEENTH CHANGE**

Subsection (a) of Section 5.3 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

- (a) The Participant is Partially Disabled while actively employed as a Covered Employee;

#### **FIFTEENTH CHANGE**

Subsection (a) of Section 5.4 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

- (a) The Participant is Partially Disabled while actively employed as a Covered Employee (and prior to his or her DROP Effective Date, if applicable);

#### **SIXTEENTH CHANGE**

In Section 5.6(b)(2)(i), the reference to Section 5.11(a)(6) or (b)(3) shall be changed to read "Section 5.11(b)(6) or (c)(3)" effective as of January 1, 2004.

#### **SEVENTEENTH CHANGE**

In Section 5.7 and 5.9, the phrase "for lost wages" is hereby added after "the annual gross amount of periodic payments payable" effective as of January 1, 2004.

#### **EIGHTEENTH CHANGE**

Section 5.11 is hereby deleted and the following new Section 5.11 is inserted in lieu thereof effective as of January 1, 2004:

##### **5.11 Commencement and Cessation of Disability Benefits**

- (a) Disability Benefits shall be paid monthly commencing on the Participant's Disability Retirement Date.
- (b) Subject to the provisions of Section 5.13 and 5.15, Disability Benefits for a Participant who is Totally Disabled and entitled to benefits under Sections 5.1 or 5.2, will cease on the first day of the month coincident with or next following the earliest of the dates specified below:



- (1) The date the administrator determines that the Participant is no longer Totally Disabled, on the basis of a medical examination by an independent diagnostic clinic or physician(s) selected by the Administrator.
  - (2) The date the Participant refuses to undergo a medical examination requested by the Administrator, provided the Participant may not be required to undergo such medical examination more often than twice a year.
  - (3) The date that the Participant's disability payments under Social Security cease.
  - (4) The date the Participant returns to a regular occupation or employment.
  - (5) The date the Participant refuses any employment that the Participant is required to accept pursuant to Section 5.6.
  - (6) The date on which the Participant dies.
- (c) Subject to the provisions of Section 5.13 and 5.15, Disability Benefits for a Participant who is Partially Disabled and entitled to benefits under Sections 5.3 or 5.4, will cease on the first day of the month coincident with or next following the earliest of the dates specified below:
- (1) The date the Administrator determines that the Participant is no longer Partially Disabled, on the basis of a medical examination by an independent diagnostic clinic or physician(s) selected by the Administrator.
  - (2) The date the Participant refuses to undergo a medical examination requested by the Administrator, provided the Participant may not be required to undergo such medical examination more often than twice a year.
  - (3) The date the Participant refuses any employment that the Participant is required to accept pursuant to Section 5.6.
  - (4) The date on which the Participant dies.
- (d) A Participant who is Totally Disabled (and who would be entitled to a Service or Non-Service Connected Total and Permanent Disability Benefit, but for an award of Social Security disability benefits) shall be entitled to receive a Service or Non-Service Connected Partial Disability Benefit (pending receipt of an award of

Social Security disability benefits). Upon the award of Social Security disability benefits, the Participant will be entitled to a Service or Non-Service Connected Total and Permanent Disability Benefit effective as of the later of (i) the date on which the Participant has been Totally Disabled for a period of six (6) months, (ii) the Participant's Disability Retirement Date, or (iii) the date the Participant applied for an award of Social Security disability benefits.

### **NINETEENTH CHANGE**

Section 5.13 is hereby deleted and the following new Section 5.13 is inserted in lieu thereof effective as of January 1, 2004:

#### **5.13 Disability Benefits After Normal Retirement Date**

- (a) Upon the later of the Participant's Normal Retirement Date or Disability Retirement Date, a Participant who is receiving (or entitled to receive) Disability Benefits shall begin receiving his or her Accrued Pension Benefit in accordance with the provisions of Article 6 and may elect to have his or her Accrued Pension Benefit paid in any of the optional annuity forms permitted under Section 7.2(a) or (b) (but not under Section 7.2(c)). The Actuarial Equivalence of the optional annuity forms shall be determined using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A.
- (b) In the case of a Participant whose Disability Retirement Date occurs before his or her Normal Retirement Date, Disability Benefits under this Plan shall be recomputed as of the Participant Normal Retirement Date, so that the Participant's Disability Benefits under Article 5 and the sum of the Participant's Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account (all expressed in the form in which Disability Benefits were payable prior to the Participant's Normal Retirement Date) is actuarially equal in value to the amount of payments that the Participant would have received under Article 5 if the Participant (i) had not been Disabled, (ii) had continued to be employed by the City at the same rank and grade he or she had attained immediately prior to his or her Disability, (iii) for the prior forty-eight (48) months, had received the amount of pay applicable to such rank and grade (including any cost of living wage adjustment granted by the City but ignoring any step increases for such rank and grade), and (iv) had become Disabled and begun receiving Disability Benefits under this Article 5 immediately prior to

his or her Normal Retirement Date. If the amount of pay applicable to the Participant's rank and grade is modified by a change in the City's compensation or classification system, then the Participant shall be assigned to an equivalent rank and grade within such revised compensation or classification system for purposes of applying clauses (ii) and (iii) of this Section 5.13(b).

- (c) Following the recalculation under Section 5.13(b), the Disability Benefits under Article 5 shall continue to be paid to the Participant following his or her Normal Retirement Date in the same form as such Benefits were being paid prior to the Participant's Normal Retirement Date (i.e., either in the normal form or under the contingent annuitant option), but only to the extent necessary to provide that the Disability Benefits under Article 5 and the retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant's City Funded Retirement Income Account) are Actuarially Equivalent to the recalculated Disability Benefits the Participant would have received under Article 5, as computed in accordance with Section 5.13(b). In the event that the Participant's retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant's City Funded Retirement Income Account) are equal to or greater than such recalculated Disability Benefit, then all Disability Benefits payable under this Article 5 shall cease on the Participant's Normal Retirement Date.
- (d) In the case of a Participant who becomes Disabled on or after reaching his or her Normal Retirement Date, the Participant's Disability Benefits under this Plan shall be equal to the Participant's Disability Benefits, as computed under Article 5, less the sum of the Participant's Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account. For purposes of this calculation, the Participant's Accrued Pension Benefit and City Funded Retirement Income Account shall be expressed in the form in which Disability Benefits are payable to the Participant. Following such calculation, the Disability Benefits under Article 5 shall immediately commence to the Participant in accordance with the provisions of this Article 5. In the event that the Participant's retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant's City Funded Retirement Income Account) are equal to or greater than the Disability Benefit computed in accordance with this paragraph, then no Disability Benefits shall be payable under this Article 5.
- (e) For purposes of the determinations required under this Section 5.13:

- (1) The amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account (based on the value as of the Date of Adoption and any subsequent Investment Adjustments) shall be determined by the Actuary using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A, as in effect on the Participant's Normal Retirement Date (for purposes of Section 5.13(b) and (c)) or Disability Retirement Date (for purposes of Section 5.13(d)).
- (2) In the case of a Participant whose Accrued Pension Benefit is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of the Participant's Accrued Pension Benefit under Article 6 (so that the Participant's entire Accrued Pension Benefit is taken into account in determining the extent to which the Participant's retirement benefits are equal to or greater than the Participant's recalculated Disability Benefit and the amount of any Disability Benefit payable to the Participant following his or her Normal Retirement Date or Disability Retirement Date, as the case may be).
- (3) In the case of a Participant whose Retirement Income Account is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account. To the extent that the Participant's Retirement Income Account has been divided into separate accounts pursuant to a qualified domestic relations order, the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account shall be determined by including in the value of the Participant's City Funded Retirement Income Account an amount equal to (i) the portion of the Participant's City Funded Retirement Income Account assigned to the alternate payee, and (ii) imputed earnings on such amount, computed based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the date such determination is being made), from the date of assignment to the Participant's Normal Retirement Date or Disability Retirement Date, as the case may be.

## **TWENTIETH CHANGE**

Section 5.18(a)(3) and (4) are hereby amended to read as follows effective as of June 12, 2007:

- (3) "Upon a Participant's election pursuant to Section 5.18(a)(2) above, the Participant's City Funded Retirement Income Account shall be transferred to and become a part of the Fund and shall be available to provide benefits to all Participants under the defined benefit portion of the Plan. Upon such transfer, the Participant shall be entitled to receive deferred monthly retirement income from the defined benefit portion of the Plan, with such retirement benefit commencing on the Participant's Normal Retirement Date (or in the case of a Participant that has already reached his or her Normal Retirement Date, on the first day of the month following the date of election) and continuing for the remainder of the Participant's life (with no survivor benefits). The amount of such retirement income shall not exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13 of the Plan or 4.07 of the Disability Income Plan, as the case may be). For this purpose:
- (i) The amount of retirement income shall not exceed the Actuarial Equivalent of the Participant's City Funded Retirement Income Account.
  - (ii) The deferred monthly retirement income from the defined benefit portion of the Plan (and Actuarial Equivalence) shall be determined taking into account the cost of living adjustment under Section 6.11 that is applicable to any amount payable as an annuity.
  - (iii) Actuarial Equivalence shall be determined on the Actuarial Equivalence for Disabled Participants (for conversion of City Funded Retirement Income Account under Section 5.18), as set forth in Appendix A.
  - (iv) In no event may the amount of retirement income purchased with the Participant's City Funded Retirement Income Account exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to

Section 5.13 of the Plan or 4.07 of the Disability Income Plan, as the case may be). If the Participant had previously elected the contingent annuitant option under Section 5.15 of the Plan or Section 5.02 of the Disability Income Plan, as the case may be, then the amount of retirement income purchased with the Participant's City Funded Retirement Income Account shall not exceed the Actuarial Equivalent of the Participant's Disability Benefits as of the Participant's Normal Retirement Date. In the event that the amount of retirement income purchased with a Participant's City Funded Retirement Income Account is limited by the application of this subsection, the excess of the value of the City Funded Retirement Income Account over the amount actually used to purchase retirement income (determined as of the Participant's Normal Retirement Date) shall be re-credited to the Participant's Retirement Income Account. Such amount shall be credited on the Participant's Normal Retirement Date and shall include earnings on such excess based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the Participant's date of election under Section 5.18(a)(2)) from the date the Retirement Income Account was transferred to the Pension Plan to the Participant's Normal Retirement Date.

- (v) In the case of a Participant who reached his or her Normal Retirement Date after September 1, 2006, the amount of retirement income purchased with the Participant's City Funded Retirement Income Account (and the determination of whether the value of the Participant's City Funded Retirement Income Account exceeds the amount of the Participant's Disability Benefits) shall be made as if the purchase and transfer occurred on the Participant's Normal Retirement Date.
- (4) In lieu of the straight life retirement annuity described in Section 5.18(a)(3), a Participant who has not reached his or her Normal Retirement Date may elect, at the time the Participant reaches his or her Normal Retirement Date, to receive monthly retirement income in the form of a joint and survivor option or guaranteed period option, subject to the following restrictions:

- (i) Such election shall be made in accordance with the provisions of Section 7.2.
- (ii) The joint and survivor option shall be limited to the option that provides a monthly income during the Participant's lifetime and continuing after his or her death at a 50% rate (i.e., the 66 2/3% and 100% survivor options are not available).
- (iii) The designated contingent annuitant under the joint and 50% survivor option must be the Participant's Spouse.
- (iv) The guaranteed period option shall be limited to the 5 or 10 year guaranteed period option (i.e., the 15 or 20 year guaranteed period options are not available).

Any optional form of retirement income elected by a Participant pursuant to this Section 5.18(a)(4) shall be the Actuarial Equivalent of the life annuity described in Section 5.18(a)(3), as determined based on the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.18(a)(4)) set forth in Appendix A, and shall include any cost of living adjustment applicable to a joint and survivor option or guaranteed period option to the extent provided under Section 6.11."

### **TWENTY-FIRST CHANGE**

Section 5.18(b)(1) is hereby deleted and the following is inserted in lieu thereof effective as of June 12, 2007:

#### **(b) Participants Who Become Disabled After June 12, 2007**

##### **(1) Each Participant:**

- (i) who reaches their Disability Retirement Date after June 12, 2007; and
- (ii) who still has a City Funded Retirement Income Account;

may elect to use his or her City Funded Retirement Income Account to purchase retirement income commencing on the later of the Participant's Normal Retirement Date or Disability Retirement Date. The amount of such retirement income shall be determined in

accordance with the provisions of Section 5.18(b)(3) and shall be used to determine the extent to which the Participant's Disability Benefits continue following the Participant's Normal Retirement Date or Disability Retirement Date in accordance with Section 5.13.

#### **TWENTY-SECOND CHANGE**

Section 5.18(b)(3) and (4) are hereby amended to read as follows effective as of June 12, 2007:

- (3) Upon a Participant's election pursuant to Section 5.18(b)(2) above, the Participant's City Funded Retirement Income Account shall be transferred to and become a part of the Fund and shall be available to provide benefits to all Participants under the defined benefit portion of the Plan. Upon such transfer, the Participant shall be entitled to receive deferred monthly retirement income from the defined benefit portion of the Plan, with such retirement benefit commencing on the Participant's Normal Retirement Date and continuing for the remainder of the Participant's life (with no survivor benefits). The amount of such retirement income shall be the Actuarial Equivalent of the Participant's City Funded Retirement Income Account, provided, however, that:
  - (i) The deferred monthly retirement income from the defined benefit portion of the Plan (and Actuarial Equivalence) shall be determined taking into account the cost of living adjustment under Section 6.11 that is applicable to any amount payable as an annuity.
  - (ii) Actuarial Equivalence shall be determined on the Actuarial Equivalence for Disabled Participants (for conversion of the City Funded Retirement Income Account under Section 5.18), as set forth in Appendix A.
  - (iii) In no event may the amount of retirement income purchased with the Participant's City Funded Retirement Income Account exceed the amount of the Participant's Disability Benefits as of the Participant's Normal Retirement Date (as recalculated pursuant to Section 5.13). If the Participant had previously elected the contingent annuitant option under Section 5.15, then the amount of retirement income purchased with



the Participant's City Funded Retirement Income Account shall not exceed the Actuarial Equivalent of the Participant's Disability Benefits as of the Participant's Normal Retirement Date. In the event that the amount of retirement income purchased with a Participant's City Funded Retirement Income Account is limited by the application of this subsection, the excess of the value of the City Funded Retirement Income Account over the amount actually used to purchase retirement income (determined as of the Participant's Normal Retirement Date) shall be re-credited to the Participant's Retirement Income Account. Such amount shall be credited on the Participant's Normal Retirement Date and shall include earnings on such excess based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the Participant's date of election under Section 5.18(b)(2)) from the date the Retirement Income Account was transferred to the Pension Plan to the Participant's Normal Retirement Date.

- (4) In lieu of the straight life retirement annuity described in Section 5.18(b)(3), a Participant may elect, at the time the Participant reaches his or her Normal Retirement Date, to receive monthly retirement income in the form of a joint and survivor option or guaranteed period option, subject to the following restrictions:
- (i) Such election shall be made in accordance with the provisions of Section 7.2.
  - (ii) The joint and survivor option shall be limited to the option that provides a monthly income during the Participant's lifetime and continuing after his or her death at a 50% rate (i.e., the 66 2/3% and 100% survivor options are not available).
  - (iii) The designated contingent annuitant under the joint and 50% survivor option must be the Participant's Spouse.
  - (iv) The guaranteed period option shall be limited to the 5 or 10 year guaranteed period option (i.e., the 15 or 20 year guaranteed period options are not available).

Any optional form of retirement income elected by a Participant pursuant to this Section 5.18(b)(4) shall be the

Actuarial Equivalent of the life annuity described in Section 5.18(b)(3), as determined based on the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.18(b)(4)) set forth in Appendix A, and shall include any cost of living adjustment applicable to a joint and survivor option or guaranteed period option to the extent provided under Section 6.11."

### **TWENTY-THIRD CHANGE**

Subsection (a) of Section 6.1 is hereby deleted and the following is inserted in lieu thereof:

- (a) Upon the Participant's retirement on the first day of a month or the last scheduled workday of the month following his or her Normal Retirement Date, or the termination of the Participant's status as a Covered Employee following his or her Normal Retirement Date, the Participant shall be entitled to receive a monthly retirement income, beginning with the first day of the month coincident with or next following his or her retirement and continuing for the remainder of the Participant's life. A Participant who is Disabled prior to his or her Normal Retirement Date and who is receiving Disability Benefits under Article 5 shall begin receiving a retirement benefit under this Article 6 as of the first day of the month coincident with or next following the attainment of age 55, as provided in Section 5.13.

### **TWENTY-FOURTH CHANGE**

Section 6.2 is hereby deleted and the following is inserted in lieu thereof:

#### **6.2 Early Retirement**

- (a) Upon the Participant's termination of employment with the City on the first day of a month or the last scheduled workday of the month following his or her Early Retirement Date, the Participant shall be entitled to receive, commencing on the first day of the month coincident with or next following the Participant's 55<sup>th</sup> birthday, a monthly benefit equal to the Participant's Accrued Pension Benefit, determined as of his or her Early Retirement Date.
- (b) At the election of the Participant, payment of his or her vested Accrued Pension Benefit may commence at any time on or after the first day of the month coincident with or next following the

Participant's termination of employment with the City following his or her Early Retirement Date and prior to his or her 55<sup>th</sup> birthday, in which case such Accrued Pension Benefit shall be reduced (in order to reflect early commencement of payments) to an amount that is the Actuarial Equivalent of the Participant's Accrued Pension Benefit.

- (c) Notwithstanding the foregoing, a Participant who has completed at least 25 Years of Credited Service prior to attaining age 50 shall be entitled to a monthly benefit equal to the Participant's Accrued Pension Benefit (determined as of his or her Early Retirement Date) commencing on the first day of the month coincident with or next following the date of his or her termination of employment with the City (i.e., the Participant's benefit shall not be actuarially reduced for commencement prior to age 55).

#### **TWENTY-FIFTH CHANGE**

Subsection (e) of Section 6.4 is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

**(e) Credit to DROP Account**

- (1) As of the first day of each calendar month commencing on or after the DROP Effective Date and continuing until (but not including) the Participant's DROP Retirement Date, the Participant's DROP Account shall be credited with the amount the Participant would have received under Section 6.1 or 6.2(c) if the Participant had actually retired on the DROP Effective Date and elected to receive his or her Accrued Pension Benefit in the form of a straight life annuity. Notwithstanding the foregoing, in lieu of having the amount credited to his or her DROP Account determined under the monthly life annuity form of retirement income, the Participant may elect, as part of his or her DROP Election, to have the amount determined under any of the Actuarial Equivalent forms of benefit specified in Section 7.2(a) or (b).
- (2) The initial annuity amount will be adjusted each May 1 (beginning May 1, 2005) for changes in the cost of living in accordance with the provisions of Section 6.11.
- (3) As of the last day of each full calendar month that has elapsed since the DROP Effective Date and continuing until (but not including) the Participant's DROP Retirement Date, a Participant's DROP Account shall be credited with interest

for such full calendar month at the rate of 3%, compounded annually. No interest shall be credited on or after the Participant's DROP Retirement Date or for any period less than a full calendar month.

#### **TWENTY-SIXTH CHANGE**

The first sentence of Section 6.6 is hereby amended to read as follows:

In addition to any benefit payable with respect to his or her Accrued Pension Benefit, a Participant with a Retirement Income Account under the Plan shall also be entitled to receive additional monthly retirement income, beginning with the first day of the month coincident with or next following the earlier of his or her Termination Date or Normal Retirement Date and continuing for the remainder of the Participant's life that is the Actuarial Equivalent of the value of his or her Retirement Income Account on the Participant's Benefit Commencement Date (with Actuarial Equivalence determined after taking into account the cost of living adjustment provided under Section 6.11 with respect to such annuity).

#### **TWENTY-SEVENTH CHANGE**

Subsection 6.9(d) is hereby deleted and the following is inserted in lieu thereof effective January 1, 2007:

(d) **Death While on Authorized Leave of Absence or Military Service**

The Beneficiary of a Participant who dies while a Covered Employee and on an Authorized Leave of Absence for reasons other than military service shall be entitled to receive death benefits pursuant to this Section 6.9. A Participant who dies on or after January 1, 2007 while on Authorized Leave of Absence for qualified military service as defined in Section 414(u)(5) of the Internal Revenue Code shall be treated as having died while actively employed as a Covered Employee.

#### **TWENTY-EIGHTH CHANGE**

Subsection (ii) of Section 6.9(f)(2) is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

- (ii) If the Participant has elected the contingent annuitant option in accordance with Section 5.15, then the Disability Benefit (as modified in accordance with Section 5.13) shall be payable to the contingent annuitant.

#### **TWENTY-NINTH CHANGE**

The first sentence of Section 6.11(a) is hereby amended by deleting the phrase "any amount payable as an annuity under Sections 6.1, 6.2, 6.3, 6.4, 6.5 or 6.9(b) or (f)..." and substituting in its place "any amount payable as an annuity under Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.6 or 6.9(b) or (f)..."

#### **THIRTIETH CHANGE**

Subsection 6.11(b)(4) is hereby amended effective as of January 1, 2004 to add the following sentence at the end thereof:

Once the two hundred percent (200%) limit has been reached, no further cost-of-living adjustments (positive or negative) shall be made with respect to the Base Pension Benefit or Base Disability Benefit, as the case may be.

#### **THIRTY-FIRST CHANGE**

Subsection 6.11(b)(6) is hereby deleted and the following is inserted in lieu thereof effective as of January 1, 2004:

- (6) The following special rules shall apply in determining the cost of living adjustments with respect to a Participant who commenced Disability Benefits prior to his or her Normal Retirement Date and who continues to receive a Disability Benefit following his or her Normal Retirement Date:
  - (i) Separate cost of living adjustment shall be made with respect to the payment of the Participant's Disability Benefit and Accrued Pension Benefit following the

Participant's Normal Retirement Date (subject to all of the limitations and provisions of this Section 6.11).

- (ii) Following the Participant's Normal Retirement Date, the next adjustment made under Section 6.11(a) to the Participant's Disability Benefit and Accrued Pension Benefit shall be May 1 occurring on or after the first anniversary of the Participant's Normal Retirement Date. Such adjustment shall be based on changes in the cost of living that occurred during the calendar year preceding the May 1 date of such adjustment.
- (iii) In the case of an adjustment to a Disability Benefit payable after the Participant's Normal Retirement Date, the cost of living adjustment and the application of the three percent (3%) limitation shall be applied as if the Disability Benefit payable immediately after the Participant's Normal Retirement Date (i.e., the Disability Benefit after the offset under Section 5.13) had been in effect on January 1 of the preceding fiscal year (so that the cost of living adjustment is calculated with respect to the recalculated Disability Benefit and not the Disability Benefit payable prior to the Participant's Normal Retirement Date).
- (iv) The combined Disability Benefits payable under Article 5 and the retirement benefits payable under Article 6 relating to the Participant's Accrued Pension Benefit after the application of this Section 6.11 shall never exceed:
  - a. Two hundred percent (200%) of the Base Disability Benefit, less
  - b. the amount of the benefit provided by the Participant's City Funded Retirement Income Account (determined as of the Participant's Normal Retirement Date and expressed in the same form of payment as the Disability Benefit using the Actuarial Assumptions in effect on such date).

### **THIRTY-SECOND CHANGE**

The following new subsection (7) is hereby added after Section 6.11(b)(6) (and the existing Sections 6.11(b)(7), (8) and (9) are hereby renumbered as Section 6.11(b)(8), (9) and (10)) effective as of January 1, 2004:

- (7) For purposes of determining the cost of living adjustments with respect to a Participant who first begins receiving a Disability Benefit (as calculated under Section 5.13(d)) following his or her Normal Retirement Date, the following special rules shall apply:
  - (i) Separate cost of living adjustment shall be made with respect to the payment of the Participant's Disability Benefit and Accrued Pension Benefit following the Participant's Disability Retirement Date (subject to all of the limitations and provisions of this Section 6.11).
  - (ii) Following the Participant's Disability Retirement Date, the first adjustment made under Section 6.11(a) to the Participant's Disability Benefit and Accrued Pension Benefit shall be May 1 occurring on or after the first anniversary of the Participant's Disability Retirement Date. Such adjustment shall be based on changes in the cost of living that occurred during the calendar year preceding the May 1 date of such adjustment.
  - (iii) In the case of an adjustment to a Disability Benefit payable after the Participant's Disability Retirement Date, the cost of living adjustment and the application of the three percent (3%) limitation shall be applied separately to the Disability Benefit payable immediately upon the Participant's Disability Retirement Date (i.e., the Disability Benefit calculated under Section 5.13(d)) and the Participant's Accrued Pension Benefit.
  - (iv) The aggregate cost of living adjustments made pursuant to this Section 6.11 with respect to the Disability Benefit payable under Article 5 Benefit shall not cause the Disability Benefit to exceed two

hundred percent (200%) of the Base Disability Benefit.

- (v) The aggregate cost of living adjustments made pursuant to this Section 6.11 with respect to the retirement benefits payable under Article 6 relating to the Participant's Accrued Pension Benefit shall not cause the Participant's Accrued Pension Benefit to exceed two hundred percent (200%) of the Base Pension Benefit.

### **THIRTY-THIRD CHANGE**

The following new Section 7.5(c) is hereby added as follows effective as of January 1, 2007:

#### **(c) Required Notices for Plan Distributions**

Effective for Plan Years beginning on or after December 31, 2006, benefits under the Plan shall not be paid until at least 30 days (or shorter period as may be permitted by law) but not more than 180 days after a Participant's receipt of all required distribution notice and election forms pursuant to Section 402(f) of the Internal Revenue Code. Such notices must include a description of the Participant's right (if any) to defer receipt of a distribution, the consequences of failing to defer receipt of the distribution, and such other information as may be required by applicable regulations and guidance.

### **THIRTY-FOURTH CHANGE**

The following new Section 7.6 is hereby added as follows:

#### **7.6 Qualified Health Insurance Premium Distributions**

- (a) A Participant who is an Eligible Retired Public Safety Officer and is receiving monthly annuity benefits from the Plan may elect to have Qualified Health Insurance Premium Distributions made in accordance with procedures established by the Administrator.
- (b) Qualified Health Insurance Premium Distributions may be excluded from the gross income of the Eligible Retired Public Safety Officer under Section 402(l) of the Internal Revenue Code, subject to the annual dollar limitation contained in Section 402(l)(2).
- (c) The following definitions apply for purposes of this Section 7.6:



- (1) An "Eligible Retired Public Safety Officer" is a Participant who separated from service with the City as a sworn police officer or firefighter (1) by reason of Disability or (2) at or after his or her Normal Retirement Date.
- (2) A "Qualified Health Insurance Premium Distribution" is an amount deducted from an Eligible Retired Public Safety Officer's benefit payment and paid directly to the insurer providing coverage for which Qualified Health Insurance Premiums are paid. Such amount may not exceed the amount of the Qualified Health Insurance Premiums.
- (3) "Qualified Health Insurance Premiums" means premiums for coverage for the Eligible Retired Public Safety Officer (and his or her spouse and dependents, if applicable) under accident and health insurance (including an accident or health plan within the meaning of Section 105(e) of the Internal Revenue Code) or a qualified long-term care insurance contract as defined in Section 7702B(b) of the Internal Revenue Code.

#### **THIRTY-FIFTH CHANGE**

Subsection 10.3(c)(2) is hereby deleted and the following is inserted in lieu thereof:

- (2) Beginning with the term commencing January 1, 2011, Participant Representatives and alternates shall serve staggered terms as follows:
  - (i) one Participant Representative who is employed by the City as a Firefighter and one Participant Representative who is employed by the City as a Police Officer shall be appointed to serve a two-year term ending December 31, 2012.
  - (ii) The other Participant Representative who is employed by the City as a Firefighter and the other Participant Representative who is employed by the City as a Police Officer, as well as both alternates, shall be appointed to serve a four-year term ending December 31, 2014.

- (iii) Thereafter, all Participant Representatives and alternates shall be appointed to serve a four-year term.

### **THIRTY-SIXTH CHANGE**

Subsection 13.3(c) is hereby deleted and the following is inserted in lieu thereof:

**(c) Prohibition Against Assignment of Benefits**

- (1) Except as provided below or as specifically provided by law, no benefit payable at any time under this Plan shall be subject in any manner to anticipation, alienation, attachment, garnishment, sale, transfer, assignment (either at law or in equity), execution, levy, pledge, encumbrance, charge, or other legal and equitable process.
- (2) The prohibitions of subsection (c)(1) shall not preclude, and the trustee (at the direction of the Administrator or to the extent necessary to comply with a directive of a court or other government agency of competent jurisdiction) shall honor (i) the enforcement of a federal tax levy made pursuant to Section 6331 of the Internal Revenue Code; (ii) the collection by the United States on a judgment resulting from an unpaid tax assessment or (iii) the creation, assignment, or recognition of a right to any benefit payable with respect to a participant pursuant to a "qualified domestic relations order."
- (3) Furthermore, the prohibitions of subsection (c)(1) shall not preclude any arrangement for: (a) the withholding of taxes from Plan benefit payments, (b) the recovery by the Plan of overpayments of benefits previously made to a Participant, (c) the transfer of benefit rights from the Plan to another plan, or (d) the direct deposit of benefit payments to an account in a banking institution (if not part of an arrangement constituting an assignment or alienation).
- (4) Notwithstanding the foregoing, a Participant's benefit under the Plan may be offset by the amount that the Participant is ordered or required to pay to the Plan if:
  - (i) the order or requirement to pay arises (i) under a judgment of conviction for a crime involving the Plan or the Fund, or (ii) under settlement agreement or a civil judgment (including a consent order or decree) entered by a court in an action brought in connection with a violation (or alleged violation) of

a fiduciary or other obligation of the Participant with respect to the Plan or the Fund, and

- (ii) the judgment, order, decree, or settlement agreement expressly provides for the offset of all or part of the amount ordered or required to be paid to the Plan against the Participant's benefits provided under the Plan.

- (5) For the purposes hereof, a qualified domestic relations order shall mean a judgment, decree, or order made pursuant to a state domestic relations law which relates to the provision of child support, alimony payments, or marital property rights, and

- (i) which clearly specifies:

- a. the names and last known mailing addresses of the participant and each payee;
    - b. the amount or percentage of the participant's benefits to be paid by this Plan to each payee (or the manner in which such amount or percentage is to be determined);
    - c. the number of payments or period to which such order relates;

- (ii) which does not:

- a. require the Plan to provide any type or form of benefit, or any option, not otherwise provided under this Plan (including any pre-retirement death benefit to an alternate payee who is a former spouse, or the payment or commencement of any benefit prior to the Participant's Termination Date or, if later, the first date on which the Participant would be entitled to distribution or commencement of benefits under the Plan);
    - b. require the Plan to provide increased benefits (determined on the basis of actuarial value); or
    - c. require the payment of the same benefits to any alternate payee which are payable to another alternate payee pursuant to a prior qualified domestic relations order.

- (6) For purposes of the Plan, a qualified domestic relations order may:

- (i) Treat an alternate payee as a spouse for purposes of Section 7.2(a)(2) (but not for any other purpose, including Section 5.15 and Section 6.9(b));
- (ii) Designate the alternate payee as a Beneficiary for purposes of Section 6.9 (but not as a surviving spouse for purposes of Section 6.9(b)); and
- (iii) Either:
  - a. Provide that a portion of any benefit payment that would otherwise be paid to the Participant shall instead be paid to the alternate payee at the same time that it would have been paid to the Participant, or
  - b. Upon the Participant's Termination Date, divide the Participant's Accrued Benefit into two separate benefits: one benefit for the alternate payee's sole interest, and one benefit (the remaining portion of the Participant's Accrued Benefit) for the Participant's sole interest, such that the Administrator may and shall deal separately and exclusively with each party with respect to that party's benefit, and neither the other party nor the other party's estate, future spouse if any, Beneficiaries, heirs or assigns shall have any rights with respect thereto. In such event, the alternate payee may elect to have the portion of the Participant's Accrued Benefit assigned to the alternate payee paid in any form of payment (other than a joint and survivor annuity with a subsequent spouse as the contingent annuitant) which would be available to the Participant under the Plan as of the date of the commencement of benefits to the alternate payee. In the absence of a written election by the alternate payee in accordance with the terms of the Plan, the alternate payee's benefit shall be paid in the form of a life annuity.

#### **THIRTY-SEVENTH CHANGE**

The following new Appendix C is hereby added as follows effective as of January 1, 2004:

## APPENDIX C

### COVERED EMPLOYEE

The purpose of this Appendix is to clarify and delineate which Employees are Covered Employees under the Plan. This Appendix may be amended from time to time by the City Manager (after consultation with the Board), without the necessity of formal amendment to the Plan, to make necessary adjustments in positions included or excluded under the definition of a Covered Employee. This Appendix, as amended from time to time, is intended to be incorporated by reference into and made a part of the Plan. The following positions are specifically included under the definition of a Covered Employee:

POSITION	CODE
Police Officer I	PS-4045/09
Police Officer II	PS-4049/09
Police Officer III	PS-4046/11
Police Officer IV	PS-4049/12
Police Sergeant	PS-3057/14
Police Lieutenant	PS-2012/16
Police Captain	PS-2013/19
Deputy Police Chief	PS-1063/22
Police Chief	GS-1062/31
Firefighter Rescuer	PS-4077/09
Firefighter I	PS-4075/09
Firefighter II	PS-4074/10
Fire Lieutenant	PS-3833/14
Fire Captain	PS-2010/16
Fire Battalion Chief	PS-1116/20
Assistant Fire Chief	PS-1234/22
Fire Chief	GS-1079/31 (other than the Employee who was serving as the Fire Chief on the Effective Date)

IN WITNESS WHEREOF, the City has caused this Amendment to be executed  
by its City Manager on this 22nd day of June, 2010.

CITY OF ALEXANDRIA

By: 

James K. Hartmann, City Manager

**RESOLUTION NO. 2410**

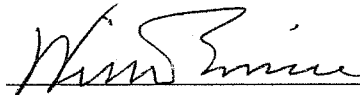
**WHEREAS**, the City of Alexandria maintains the "City of Alexandria Firefighters and Police Officers Pension Plan" (the "Plan"); and

**WHEREAS**, the City of Alexandria desires to adopt and incorporate certain amendments to the Plan as set forth in the Plan attached hereto; and

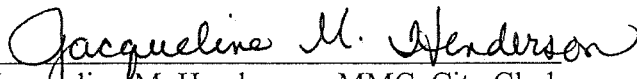
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA THAT** the Alexandria City Council does hereby recognize, adopt, amend, and approve the Plan to incorporate the amendments attached hereto and incorporated fully herein by reference; and

**BE IT FURTHER RESOLVED THAT**, this Resolution shall be effective immediately; provided however, that the amendments hereby approved shall be effective as stated in the Plan

Adopted: June 22, 2010

  
\_\_\_\_\_  
**WILLIAM D. EULLE MAYOR**

ATTEST:

  
\_\_\_\_\_  
Jacqueline M. Henderson, MMC City Clerk